

**BRADY PUBLIC LIMITED COMPANY**

**Company number: 2164768**

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**ARTICLES OF ASSOCIATION**

(Adopted by special resolution dated 17 July 2007)

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**Kirkpatrick & Lockhart  
Preston Gates Ellis LLP**

110 Cannon Street London EC4N 6AR

Tel: +44 (0)20 7648 9000

Fax: +44 (0)20 7648 9001

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**The Companies Act 1985**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

**BRADY PUBLIC LIMITED COMPANY**

**(Registered in England and Wales No. 02164768)**

(Adopted by special resolution passed on 17 July 2007)

**PRELIMINARY**

1. The Companies (Table A to F) Regulations 1985 and the regulations contained in the Schedule to it shall not apply to the Company.

**INTERPRETATION**

2. In these Articles, unless the context requires otherwise:

**"1985 Act"** means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;

**"2006 Act"** means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

**"address"** includes a number or address used for the purposes of sending or receiving documents or information by electronic means;

**"AIM"** means the Alternative Investment Market of the Stock Exchange;

**"Articles"** means these articles of association as altered from time to time;

**"Auditors"** means the auditors to the Company for the time being;

**"Directors"** means the directors of the Company for the time being;

**"dividend"** means dividend and/or bonus;

**"electronic copy"**, **"electronic form"** and **"electronic means"** have the meanings given in section 1168 of the 2006 Act;

**"Group"** means the Company and its subsidiary undertakings for the time being;

**"hard copy"** and **"hard copy form"** have the meanings given in section 1168 of the 2006 Act;

**"member"** means a member of the Company;

**"month"** means calendar month;

**"Office"** means the registered office of the Company for the time being;

**"Official List"** means the Official List of the United Kingdom Listing Authority;

**"Operator"** means CRESTCO Limited or such other person as may from time to time be approved by HM Treasury as Operator under the Regulations;

**"Operator-instruction"** means a properly authenticated de-materialised instruction attributable to the Operator;

**"Ordinary Shares"** means ordinary shares of 1p each in the capital of the Company;

**"paid up"** means paid up or credited as paid up;

**"participating security"** means a security title which the Operator is permitted to transfer by means of a relevant system;

**"Register"** means the register of members of the Company;

**"Regulations"** means the Uncertificated Securities Regulations 2001 including any modification thereof or any regulations in substitution therefor for the time being in force;

**"relevant system"** means a computer based system and procedures which enable title to units of security to be evidenced and transferred without a written instrument pursuant to the Regulations;

**"Seal"** means the common seal of the Company;

**"Secretary"** means the secretary of the Company for the time being;

**"Statutes"** means the 1985 Act, the 2006 Act, the ECA, the Regulations and every other statute or enactment for the time being in force concerning companies and affecting the Company;

**"Stock Exchange"** means London Stock Exchange plc;

**"Transfer Office"** means the place where the Register is situate for the time being;

**"Treasury Shares"** has the meaning ascribed to that expression in section 162A(3) of the 1985 Act;

**"United Kingdom"** means Great Britain and Northern Ireland;

**"United Kingdom Listing Authority"** means the Financial Services Authority in its capacity as the United Kingdom Listing Authority in accordance with the Financial Services and Markets Act 2000, as modified or re-enacted from time to time; and

**"year"** means calendar year.

3. In these Articles, unless the context requires otherwise:

- (a) the expression **"debenture"** shall include debenture stock and the expression **"debenture-holder"** shall include debenture stockholder;
- (b) the expression **"Secretary"** shall include any person appointed by the Directors to perform any of the duties of the secretary and where 2 or more persons are appointed to act as joint secretaries shall include any one of those persons;
- (c) the expressions **"holding company"**, **"subsidiary"** and **"subsidiary undertaking"** shall have the meanings ascribed to them by the 1985 Act;
- (d) the expression **"officer"** shall include a Director, manager and the Secretary but shall not include the Auditors;
- (e) references to **"writing"** mean the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether in electronic form or otherwise, and **"written"** shall be construed accordingly;

- (f) references to a document or information being "**sent**", "**supplied**" or "**given**" to or by a person mean such document or information, or a copy of such document or information, being sent, supplied, given, delivered, issued or made available to or by, or served on or by, or deposited with or by that person by any method authorised by these Articles, and "**sending**", "**supplying**" and "**giving**" shall be construed accordingly;
- (g) references to a share (or a holding of shares) being in uncertificated form or in certificated form shall be references respectively to that share being an uncertificated unit of a security or a certificated unit of a security for the purposes of the Regulations;
- (h) a de-materialised instruction shall be properly authenticated if it complies with the specifications referred to in Regulation 35 of the Regulations;
- (i) an act which is expressed to require the sanction of or to be effected by an ordinary resolution may be sanctioned by or effected by a special or extraordinary resolution;
- (j) words importing the singular number include the plural and vice versa;
- (k) words importing one gender include all genders and words importing persons include corporations;
- (l) save as aforesaid any words or expressions defined in the Statutes shall (if not inconsistent with the subject or context) bear the same meanings in these Articles;
- (m) any reference in these Articles to any provision in any enactment shall where applicable be construed as a reference to the same as for the time being modified or re-enacted whether before or after the date hereof; and
- (n) the headings are inserted for convenience only and do not affect the construction of these Articles.

#### **SHARE CAPITAL**

- 4. The authorised share capital of the Company at the date of adoption of these Articles as the articles of association of the Company is £500,000 divided into 50,000,000 Ordinary Shares of 1p each.
- 5. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued and subject to the provisions of the

Statutes, any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, capital, transfer, voting or otherwise, as the Company may from time to time by ordinary resolution determine (or, failing any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue any shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as may be provided by these Articles or as the Company may by special resolution determine. Any share may be issued in certificated or uncertificated form and converted from certificated form into uncertificated form and vice versa in accordance with the Statutes or any subordinate legislation made from time to time under the Statutes and the Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be a participating security and for the conversion of shares in certificated form into uncertificated form and vice versa (subject always to the Regulations and the facilities and requirements of the relevant system).

6. Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise, and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares of the Company (whether forming part of the existing or any increased capital) shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over, offer or otherwise deal with or dispose of such shares to such persons, at such times and generally on such terms and conditions as the Directors think proper but so that no share shall be issued at a discount.
  
7. Subject to the provisions of the Statutes, the Company may purchase, or may enter into a contract under which it will or may purchase, any of its own shares of any class (including any redeemable shares) but so that if there shall be in issue any shares which are admitted to trading on the Official List or AIM and which are convertible into equity share capital of the Company of the class proposed to be purchased, then the Company shall not purchase, or enter into a contract under which it will or may purchase, such equity shares unless either:
  - (a) the terms of issue of such convertible shares include provisions permitting the Company to purchase its own equity shares or providing for adjustment to the conversion terms upon such a purchase; or
  - (b) the purchase, or the contract, has first been approved by an extraordinary resolution passed at a separate meeting of the holders of such convertible shares.

8. No share in the Company (other than a share allotted in pursuance of an employees' share scheme) shall be allotted except as paid up in money or money's worth at least as to one-quarter of the nominal value of the share and the whole of any premium on it.
9. The Company may exercise the powers of paying commissions conferred by the Statutes. The Company may also on any issue of shares pay such brokerage as may be lawful.
10. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (save as otherwise provided by these Articles or by law) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.
11. The Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder:
  - (a) recognise a renunciation thereof by the allottee in favour of some other person and accord to any allottee of a share a right to effect such renunciation; and/or
  - (b) allow the rights represented thereby to be one or more participating securities;

in each case upon and subject to such terms and conditions as the Directors may think fit to impose.

#### **VARIATION OF RIGHTS**

12. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) either:
  - (a) with the consent in writing of the holders of three-fourths in nominal amount of the issued shares of the class (excluding any shares of that class held as Treasury Shares), which consent shall be in hard copy form or in electronic form sent to such address (if any) for the time being specified by or on behalf of the Company for that purpose or in default of any such specification to the Office; or

- (b) with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class,

but not otherwise.

To every such separate general meeting all the provisions of these Articles as for the time being in force relating to general meetings of the Company and to the proceedings thereat shall apply mutatis mutandis, except that:

- (a) the necessary quorum (other than at an adjourned meeting) shall be 2 persons holding or representing by proxy at least one third in nominal amount of the issued shares of the class (excluding any shares of that class held as Treasury Shares), and at an adjourned meeting shall be one person holding shares of the class in question or his proxy;
  - (b) any holder of shares of the class present in person or by proxy may demand a poll; and
  - (c) any holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him.
13. Article 12 shall apply to the variation or abrogation of the special rights attached to some only of the shares of such class as if the shares concerned and the remaining shares of such class formed separate classes, or to any scheme for the distribution (though not in accordance with legal rights) of assets in money or in kind in or before liquidation, or to any contract for the sale or disposal of the whole or any part of the Company's property or business determining the way in which as between the several classes of shareholders the purchase considerations shall be distributed, and generally to any alteration, contract, compromise or arrangement which the persons voting thereon could, if sui juris and holding all the shares of the class, consent to or enter into, and such resolution shall be binding upon all holders of shares of the class.
14. Save as otherwise provided in these Articles, the special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied or abrogated by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company or voting in some or all respects pari passu therewith but in no respect in priority thereto, or by any reduction of the capital paid up thereon, or by any purchase by the Company of its own shares.

## ALTERATION OF SHARE CAPITAL

15. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall, save in so far as may be otherwise provided by the terms of issue thereof, be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
16. The Company may from time to time by ordinary resolution:
  - (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
  - (b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled; and
  - (c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association of the Company as varied from time to time provided that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.
17. Upon any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise with regard thereto and in particular may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder (or joint holders) being consolidated with shares registered in the name of another holder (or joint holders) may make such arrangements for the allocation, acceptance or sale of the consolidated share and for the distribution to the persons entitled thereto of any moneys received in respect thereof as may be thought fit and for the purpose of giving effect thereto may appoint some person to transfer the consolidated share or any fractions thereof and to receive the purchase price thereof (and any transfer executed in pursuance thereof shall be effective and after such transfer has been registered no person shall be entitled to question its validity), and may in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a

single share issue to each holder credited as fully paid up by way of capitalisation the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such shares shall be appropriated at their discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares.

18. The Company may by special resolution reduce its share capital or any capital redemption reserve fund or share premium account or any other undistributable reserve in any way and subject to any other consent required by law.

### **SHARE CERTIFICATES AND TITLE TO SHARES**

19. Title to any shares may be evidenced otherwise than by a definitive share certificate in accordance with the Statutes, the Regulations or any other subordinate legislation made from time to time under the Statutes, and the Directors shall have power to implement such arrangements as they think fit for the evidencing of title to shares subject to compliance with the Statutes, the Regulations and such other subordinate legislation. The Company shall enter on the Register, in respect of all shares registered in the name of each holder, the number of such shares which are in certificated form and uncertificated form respectively.
20. Every person whose name is entered as a member in the Register in respect of any shares of any class in certificated form (except a person in respect of whom the Company is not by law required to issue a share certificate) shall be entitled without payment to a certificate therefor, upon the issue thereof within 2 months after allotment (or such other period as the terms of issue shall provide), and upon the transfer thereof within 2 months after lodgement of transfer (not being a transfer which the Company is for any reason entitled to refuse to register and does not register) and in the case of conversion thereof from uncertificated to certificated form within 2 months of the date of conversion. The Company shall not be bound to register more than 4 persons as the joint holders of a share and in the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of such persons shall be sufficient delivery to all.
21. Every definitive certificate for shares shall be issued under the Seal (or an official seal kept pursuant to section 40 of the 1985 Act or, in the case of shares on a branch register, an official seal for use in the relevant territory). Every such certificate shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class. No

certificate need be issued in respect of shares held by a recognised clearing house (within the meaning of the Financial Services and Markets Act 2000) or a nominee of a recognised clearing house or of a recognised investment exchange (within the meaning of the Financial Services and Markets Act 2000).

22. Where a member transfers part only of the shares comprised in a share certificate the old certificate shall be cancelled and a new certificate for the balance of such shares (to the extent that such balance is to be held in certificated form) issued in lieu without charge.
23. Any 2 or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
24. If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu 2 or more share certificates representing such shares in such proportions as may be specified, the Directors may, if they think fit, comply with such request.
25. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and (in either case) the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Directors may think fit. Subject as aforesaid no charge will be made for a new share certificate issued to replace one that has been damaged, lost or destroyed.
26. In the case of shares held jointly by several persons any such request may be made by any one of the joint holders except where the certificate is alleged to be lost, stolen or destroyed.

### **SHARE WARRANTS**

27. The Directors may issue warrants in respect of fully paid up shares (hereinafter called "**share warrants**") stating that the bearer is entitled to the shares therein specified and may provide by coupons or otherwise for the payment of future dividends on the shares included in such warrants. The Directors may determine and from time to time vary the conditions upon which share warrants shall be issued and upon which a new share warrant or coupon shall be issued in the place of one worn out defaced or destroyed but no new share warrant or coupon shall be issued to replace one that has been lost unless it is proved to the satisfaction of the Company beyond reasonable doubt to have been destroyed. The Directors may also determine and from time to

time vary the conditions upon which the bearer of a share warrant shall be entitled to receive notices of and attend and vote at general meetings or to join in requisitioning general meetings and upon which a share warrant may be surrendered and the name of the bearer entered in the Register in respect of the shares therein specified. The bearer of a share warrant shall hold such warrant subject to the conditions for the time being in force with regard to share warrants whether made before or after the issue of such warrant. Subject to such conditions and to these Articles and the Statutes, the bearer of a share warrant shall be a member to the full extent.

### **CALLS ON SHARES**

28. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) and not by the terms of issue thereof made payable at fixed times. Each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to or as directed by the Company at the time or times and place so specified the amount called on his shares. A call may be wholly or in part revoked or postponed as the Directors may determine.
29. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments. A call may be postponed and may be wholly or in part revoked as the Directors may determine.
30. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A person upon whom a call is made shall remain liable for calls made upon him, notwithstanding the subsequent transfer of the shares on which the call was made.
31. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 15 per cent per annum) as the Directors in their absolute discretion may determine, together with all expenses that may have been incurred by the Company by reason of such non-payment, but the Directors shall be at liberty in any case or cases to waive payment of such interest and expenses wholly or in part.
32. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at a fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment all the relevant provisions of these Articles as to

payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

33. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
34. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of call shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate as the member paying such sum and the Directors agree upon but any such advance payment shall not entitle the holder of the share to participate in respect of such amount in any dividend.

#### **FORFEITURE AND LIEN**

35. If a member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
36. The notice shall name a further day (not being less than 7 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.
37. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited.
38. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share but no forfeiture shall be invalidated by omission or neglect to give such notice.

39. Subject to the provisions of the Statutes, a share so forfeited or surrendered shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors think fit, and at any time before a sale, re-allotment or disposal the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid. Any share not disposed of in accordance with this Article within a period of 3 years from the date of its forfeiture or surrender shall, at the expiry of that period, be cancelled in accordance with the Statutes.
40. A person whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares (and shall, in the case of shares held in certificated form, surrender to the Company for cancellation the certificate for such shares) but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at 15 per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but the Directors may waive payment of such interest either wholly or in part. The Directors may enforce payment, without any allowance for the value of the shares at the time of forfeiture or surrender.
41. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable (whether presently or not) in respect of such share. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.
42. Subject to the provisions of the Statutes, the Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless the period for the payment or discharge of some part at least of the debt or liability in respect of which the lien exists shall have actually arrived nor until the expiration of 14 days after a notice stating and demanding payment or discharge thereof and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
43. The net proceeds of such sale after payment of the cost of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists so far as the same are presently payable and any residue shall upon surrender (in the case of shares held in certificated form) to the Company for

cancellation of the certificate for the shares sold and (in any case) subject to a like lien for debts or liabilities the period for the payment or discharge of which has not actually arrived as existed upon the shares prior to the sale be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser.

44. A statutory declaration that the declarant is a Director or the Secretary and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate (in the case of shares in certificated form) delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

#### **TRANSFER OF SHARES**

45. All transfers of shares which are in uncertificated form may be effected by means of a relevant system.
46. Transfers of shares in certificated form may be effected by transfers in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof.
47. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, save that, in respect of any shares which are participating securities, the Register shall not be closed without the consent of the Operator. The Register shall not be closed and registration suspended for more than 30 days in any year.
48. The Directors may, in their absolute discretion and without assigning any reason therefor decline to register any transfer of shares:
  - (a) which are not fully paid provided that where any such shares are admitted to trading on the Official List or AIM, such discretion may not be exercised in

such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis; and

(b) in favour of more than 4 persons jointly.

49. The Directors may decline to recognise any instrument of transfer relating to shares:

(a) in certificated form unless the instrument of transfer is deposited at the Transfer Office (or such other place as the Directors may appoint), is in respect of one class of shares, duly stamped, accompanied by the relevant share certificate(s) (except where no certificate shall have been issued therefor) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do; and

(b) in uncertificated form in the circumstances set out in the Regulations.

50. If the Directors refuse to register a transfer then, within 2 months after the date on which:

(a) the transfer was lodged with the Company (in the case of shares held in certificated form); or

(b) the Operator-instruction was received by the Company (in the case of shares held in uncertificated form),

they shall send to the transferee notice of the refusal together with (in the case of shares held in certificated form) the instrument of transfer.

51. Subject to Article 52, all instruments of transfer which are registered may be retained by the Company; and subject to the Regulations, the Company shall be entitled to destroy:

(a) all instruments of transfer which have been registered at any time after the expiration of 6 years from the date of registration thereof;

(b) all dividend mandates and notifications of change of address at any time after the expiration of 2 years from the date of recording thereof;

(c) all share certificates which have been cancelled at any time after the expiration of one year from the date of cancellation thereof;

- (d) all appointments of proxy which have been used for the purposes of a poll, at any time after the expiration of one year from the date of such use, and all appointments of proxy which have not been used for the purposes of a poll, at any time after one month from the end of the meeting to which the appointments of proxy relates and at which no poll was demanded; and
- (e) any other document on the basis of which any entry in the Register is made at any time after the expiry of 6 years from the date an entry in the Register was first made in respect of it,

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company.

- 52. Article 51 applies only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant and nothing in Article 51 shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of Article 51.
- 53. References in Articles 51 and 52 to the destruction of any document include references to the disposal thereof in any manner.
- 54. No fee will be charged by the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, stop notice, power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.
- 55. Subject to the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit regarding the keeping of any such register.
- 56. Subject to the Statutes and the Regulations, the Directors may determine that any class of shares may be held in uncertificated form and that title to such shares may be

transferred by means of a relevant system or that shares of any class should cease to be held and transferred as aforesaid.

57. Subject to the provisions of the Act, the Company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

### **UNCERTIFICATED HOLDINGS**

58. Subject to the Statutes the Board may resolve that a class of shares is to become a participating security and may at any time determine that a class of shares shall cease to be a participating security.
59. The provisions of these Articles shall not apply to shares of any class which are in uncertificated form to the extent that such Articles are inconsistent with:
- (a) the holding of shares of that class in uncertificated form;
  - (b) the transfer of title to shares of that class by means of a relevant system; or
  - (c) any provision of the Regulations.
60. Any share of a class which is a participating security may be changed from an uncertificated share to a certificated share and from a certificated share to an uncertificated share in accordance with the Regulations.
61. For the purpose of effecting any actions by the Company, the Directors may determine that holdings of the same member in uncertificated form and in certificated form shall be treated as separate holdings.
62. In relation to shares which are in uncertificated form, any provisions of these Articles enabling a person to be appointed to execute an instrument of transfer shall have effect of enabling that person to be appointed to authorise the giving of a relevant properly authenticated dematerialised instruction (not being inconsistent with the provisions in question) as may be required for the disposal of the share in question in accordance with the terms of his appointment.
63. Where the Company is entitled under the Statutes, the Regulations and the rules, procedures or practices of any relevant system or under these Articles to dispose of, forfeit, accept the surrender of, enforce a lien over, re-allot or sell, transfer or otherwise procure the sale of any shares which are held in uncertificated form, the Board shall have the power (subject to the Statutes, the Regulations and the rules,

procedures or practices of the relevant system) to take such steps as the Board considers appropriate, by instruction by means of a relevant system or otherwise, to effect such disposal, forfeiture, surrender, enforcement, re-allotment sale or transfer and such powers shall (subject as aforesaid) include the right to:

- (a) request or require the deletion of any computer based entries in the relevant system relating to the holding of such shares in uncertificated form; and/or
- (b) alter such computer based entries so as to divest the registered holder of such shares of the power to transfer such shares to a person other than the transferee, purchaser or his nominee identified by the Company for this purpose; and/or
- (c) require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement, by notice to the holder concerned, to convert his holding of such uncertificated shares into certificated form within such period as may be specified in the notice prior to completion of any disposal, sale or transfer of such shares or direct the holder to take such steps as may be necessary to sell or transfer such shares; and/or
- (d) otherwise rectify or change the Register in respect of any such shares in such manner as the Board considers appropriate (including, without limitation, by entering the name of the transferee into the Register as the next holder of such shares); and/or
- (e) appoint any person to take such steps in the name of the holder of such shares as may be required to effect the conversion and/or transfer of such shares and such steps shall be effective as if they had been taken by the registered holder of the uncertificated shares concerned.

64. The Company shall not issue to any person a certificate in respect of an uncertificated share.

#### **TRANSMISSION OF SHARES**

65. In the case of the death of a shareholder the survivors or survivor where the deceased was a joint holder and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

66. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or of his becoming a patient within the meaning of the Mental Health Act 1983 (or the equivalent of bankruptcy or of becoming such a patient under the laws of any competent jurisdiction) may (subject as hereinafter provided) upon supplying the Company with such evidence as the Directors may reasonably require to show his title to the share either require to be registered himself as a holder of the share by giving to the Company notice to that effect or transfer such share to some other person (in any case in the event of the share being in uncertificated form subject always to the Regulations). All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the event giving rise thereto had not occurred and the notice or transfer were a transfer executed by such member.
67. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (or the equivalent of bankruptcy under the laws of any competent jurisdiction) shall upon supplying the Company with such evidence as the Directors may reasonably require to show his title to the share be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share, but he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share. Provided always that the Directors may at any time give notice requiring such person to elect either to be registered himself or to transfer the share, and if within 60 days the notice is not complied with, the Directors may in their absolute discretion withhold dividends until such time as the notice is complied with. Where 2 or more persons are jointly entitled by transmission to a share they shall for the purposes of these Articles be treated as if they were joint holders of such share registered in the order in which their names have been supplied to the Company or such other order as the person requiring to be registered may by notice to the Company have prescribed at that time.

#### SUSPENSION OF RIGHTS ATTACHING TO SHARES

68. If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 212 of the Act and is in default for a period of 14 days after service of the notice in supplying to the Company the information thereby required, then (unless the Directors otherwise determine) in respect of:
- (a) the shares comprising the shareholding account in the Register which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the **"default**

**shares"**, which expression shall include any further shares which are issued after the date of service of the notice under section 212 of the Act in respect of such shares); and

(b) any other shares held by the member,

the member (for so long as the default continues) shall not be entitled to attend or vote either personally or by proxy at a shareholders' meeting.

69. Where the default shares represent 0.25 per cent or more of the issued shares of the class in question (excluding any shares in the Company held as Treasury Shares), the Directors may in their absolute discretion by notice (a "**direction notice**") to such member, and provided that the 14 day period referred to in Article 68 has elapsed, direct that:

(a) any dividend or part thereof or other money which would otherwise be payable in respect of the default shares shall be retained by the Company, without any liability to pay interest thereon when such money is finally paid to the member, including shares to be issued in lieu of dividend; and

(b) no transfer of any of the default shares held by such member shall be registered unless the transfer is an approved transfer

provided that, in the case of shares in uncertificated form, the Directors may only exercise their discretion not to register a transfer if permitted to do so by the Regulations. Any direction notice may treat shares of a member in certificated and uncertificated form as separate holdings and either apply only to the former or to the latter or make different provision for the former and the latter. Upon the giving of a direction notice its terms shall apply accordingly.

70. The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

71. Save as herein provided any prohibition imposed under Article 68 or any direction notice shall have effect in accordance with its terms for so long as the default in respect of which the direction notice was issued continues and shall cease to have effect thereafter upon the Directors so determining, such determination to be made within a period of one week of the default being duly remedied with notice thereof being given forthwith to the member.

72. Any prohibition imposed under Article 68 or any direction notice shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer or in accordance with Article 69(b).
73. For the purposes of Articles 68 to 72:
- (a) a person shall be treated as appearing to be interested in any shares if the member holding such shares has been served with a notice under section 793 of the 2006 Act and either:
    - (i) the member has named such person as being so interested; or
    - (ii) (after taking into account the response of the member to the said notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; and
  - (b) a transfer of shares is an approved transfer if:
    - (i) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer (as defined in section 974 of the 2006 Act); or
    - (ii) the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the member or with any person appearing to be interested in such shares including any such sale made through the Stock Exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; for the purposes of this Article 73(b)(ii) any associate (as that term is defined in section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares.
74. The provisions of Articles 68 to 73 are in addition and without prejudice to the provisions of the 2006 Act and the Regulations.

#### **UNTRACED SHAREHOLDERS**

75. The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:

- (a) for a period of 12 years during which at least 3 dividends have been paid by the Company no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the share at his address on the Register or other the last known postal address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member or the person entitled by transmission;
  - (b) the Company has at the expiration of the said period of 12 years by advertisement in a national daily newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (a) of this Article is located given notice of its intention to sell such share;
  - (c) the Company has not during the further period of 3 months after the date of publication of the advertisements (or the later publication date if the 2 advertisements are not published on the same day) and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission; and
  - (d) the Company has first given notice to the Stock Exchange of its intention to sell such share.
76. To give effect to any sale under Article 75 the Company may appoint any person to execute as transferor an instrument of transfer of such share and such instrument of transfer shall be as effective as if it had been executed by the registered holder or person entitled by the transmission to such share. The Company shall account to the member or other person entitled to such share for the net proceeds of such sale by carrying all moneys in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such member or other person. Moneys carried to such separate account may either be employed in the business of the Company or investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit. No interest shall be paid in respect of such moneys and the Company shall not be bound to account for any money earned thereon.

## **STOCK**

77. The Company may by ordinary resolution convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination.

78. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as would have applied to the shares from which the stock arose if they had not been converted, or as near thereto as circumstances admit, but the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable, but so that such minimum shall not exceed the nominal amount of each of the shares from which the stock arose.
79. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages in all respects as if they held the shares from which the stock arose, provided that no such privilege or advantage (except participation in dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.
80. All the provisions of these Articles applicable to paid up shares shall apply to stock, and in all such provisions the expression "**share**" shall include "**stock**" and the expression "**member**" shall include "**stockholder**".

#### **GENERAL MEETINGS**

81. Subject to the provisions of the Statutes, the annual general meeting shall be held at such time and place as may be determined by the Directors.
82. All other general meetings shall be called extraordinary general meetings. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, convene an extraordinary general meeting to be held at such time and place as the Directors may determine.

#### **NOTICE OF GENERAL MEETINGS**

83. An annual general meeting and any general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, or a resolution appointing a person as a Director, shall be called by 21 days' notice at least, and any other general meeting by 14 days' notice at least (exclusive in either case of the day on which it is served or deemed to be served and of the day for which it is given) and shall be given in the manner hereinafter mentioned to all members other than such as by or by virtue of these Articles are not entitled to receive such notices from the Company, to the Directors and to the Auditors. Provided that the Company may determine that only those persons entered on the Register at the close of business on a day determined by the Company, such day being no more than 21 days before the day that notice of the meeting is served, shall be entitled to receive such notice and provided also that a

general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

- (a) in the case of an annual general meeting by all the members entitled to attend and vote thereat; and
  - (b) in the case of an extraordinary general meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right (excluding any shares in the Company held as Treasury Shares).
84. The accidental omission to give notice of a meeting or to send any notification where required by the Statutes or these Articles in relation to the publication of a notice of meeting on a website or to send a form of proxy where required by the Statutes or these Articles, to any person entitled to receive it, or the non-receipt of any such notice, notification or form of proxy by that person, whether or not the Company is aware of such omission or non-receipt, shall not invalidate the proceedings at any general meeting.
85. Every notice calling a general meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement to the effect that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.
86. Every notice calling an annual general meeting shall specify the meeting as such.
87. Every notice calling a general meeting at which business other than routine business is to be transacted shall specify the general nature of such business and, if any resolution is to be proposed as an extraordinary resolution or as a special resolution, shall contain a statement to that effect.
88. Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say:
- (a) declaring dividends;
  - (b) considering and adopting the accounts, the reports of the Directors and Auditors and other documents required to be annexed to the accounts;
  - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement by rotation or otherwise;

- (d) re-appointing the retiring Auditors unless they were last appointed otherwise than by the Company in general meeting;
  - (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed;
  - (f) the grant, renewal, extension or variation of any authority or power to the Directors for the purposes of section 80 and/or section 95 of the Act;
  - (g) the grant, renewal, extension or variation of any authority for the Company to purchase by market purchase (as defined by section 163 of the Act) shares in its own capital; and
  - (h) the renewing or regranting of an existing authority for a scrip dividend alternative.
89. The Directors shall on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided:
- (a) give to the members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
  - (b) circulate to the members entitled to have notice of the next annual general meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.
90. Any member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
91. For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such person may cast, the Company may specify a time in the notice of the meeting, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

92. No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business but the absence of a quorum shall not

preclude the choice or appointment of a chairman. Three members present in person or by proxy shall be a quorum for all purposes.

93. The chairman of the Directors, failing whom a deputy chairman (to be chosen, if there be more than one, by agreement amongst them or, failing agreement, by lot) shall preside as chairman at a general meeting. If there be no such chairman or deputy chairman, or if at any meeting none be present within 5 minutes after the time appointed for holding the meeting or none be willing to act, the Directors present shall choose one of their number or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number to be chairman of the meeting.
94. If within 15 minutes from the time appointed for a general meeting (or such longer period as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the meeting shall be dissolved.
95. The chairman of the meeting may at any time without the consent of the meeting adjourn any general meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time or place where it appears to him that the members wishing to attend cannot conveniently be accommodated in the place appointed for the meeting or where the conduct of persons present prevents or is likely to prevent the orderly continuation of business or where an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. In addition the chairman of the meeting may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or indefinitely) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be fixed by the Directors.
96. When a meeting is adjourned for 30 days or more or indefinitely not less than 7 days' notice of the adjourned meeting (exclusive of the day on which it is served or deemed to be served and of the day for which it is given) shall be given as in the case of the original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

97. In the case of any general meeting the Directors may, notwithstanding the specification in the notice of the place of the general meeting (the "principal place") at which the chairman of the meeting shall preside, make arrangements for simultaneous attendance and participation at other places by members and proxies entitled to attend the general meeting but excluded from the principal place under the provisions of this Article. Such arrangements for simultaneous attendance at the meeting may include arrangements regarding the level of attendance at places other than the principal place provided that they shall operate so that any member and proxy excluded from attendance at the principal place is entitled to attend at one of the other places. For the purpose of all other provisions of these Articles any such meeting shall be treated as being held and taking place at the principal place.
98. The Directors may, for the purpose of facilitating the organisation and administration of any general meeting to which any of the arrangements referred to in Article 97 apply, from time to time make arrangements, whether involving the issue of tickets (on a basis intended to afford to all members and proxies entitled to attend the meeting an equal opportunity of being admitted to the principal place) or the imposition of some random means of selection or otherwise as they shall in their absolute discretion consider to be appropriate, and may from time to time vary any such arrangements or make new arrangements in their place and the entitlement of any member or proxy to attend a general meeting at the principal place shall be subject to such arrangements as may be for the time being in force whether stated in the notice convening the meeting to apply to that meeting or notified to the members concerned subsequent to the notice convening the meeting.
99. The Directors may direct that members or proxies wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the Directors shall consider appropriate in the circumstances and shall be entitled in their absolute discretion to refuse entry to such general meeting to any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

## **VOTING**

100. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by either:
- (a) the chairman of the meeting; or
  - (b) not less than 2 members present in person or by proxy and entitled to vote; or

- (c) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting (excluding any voting rights attached to shares in the Company held as Treasury Shares); or
  - (d) a member or members present in person or by proxy and holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring the right (excluding any shares in the Company conferring a right to vote at the meeting which are held as Treasury Shares).
101. A demand for a poll may, before the poll is taken, be withdrawn only with the consent of the chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made, which result shall be effective. Unless a poll is so demanded (and the demand is not withdrawn) a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.
102. If a poll is duly demanded (and the demand is not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers (who need not be members) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
103. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.
104. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
105. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. With the

consent of the chairman of the meeting, an amendment may be withdrawn before it is voted on. No amendment to a resolution duly proposed as a special or extraordinary resolution (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted on. No amendment to a resolution duly proposed as an ordinary resolution (other than a mere clerical amendment to correct a patent error) may be considered or voted on unless either:

- (a) at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed notice of the terms of the amendment and intention to move the same has been delivered in hard copy form to the Office or to such other place as may be specified by or on behalf of the Company for that purpose or received in electronic form at such address (if any) for the time being specified by or on behalf of the Company for that purpose (or such address as the Company may be deemed by the Statutes to have agreed); or
  - (b) the chairman of the meeting in his absolute discretion decides that it may be considered or voted upon.
106. If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment thereof, and not in that case unless it shall in the opinion of the chairman of the meeting be of sufficient magnitude to affect the result of the voting.

#### **VOTES OF MEMBERS**

107. Subject to Article 91 and to any special rights or restrictions as to voting attached by or by virtue of these Articles to any shares or any class of shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative duly authorised under section 375 of the Act shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.
108. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which names stand in the Register in respect of the joint holding.
109. Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise power with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or

subject to production of such evidence as they may require, permit such receiver or other person to vote in person or by proxy on behalf of such member at any general meeting.

110. No member shall, unless the Directors otherwise determine, be entitled to be present or to vote at any general meeting either in person or by proxy or upon any poll or to exercise any other right conferred by membership in relation to meetings of the Company in respect of any shares held by him if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.
111. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting or poll at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
112. On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all his votes in the same way.
113. A resolution in writing executed or authenticated by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effective as if it had been passed at a general meeting duly convened and held. Such a resolution shall be in hard copy form or in electronic form sent to such address (if any) for the time being specified by or on behalf of the Company for that purpose or in default of any such specification to the Office and may consist of several documents in hard copy form or in electronic form (or a combination of both), each executed or authenticated in such manner as the Directors may approve by or on behalf of one or more of such members.

#### **PROXIES AND CORPORATE REPRESENTATIVES**

114. A proxy need not be a member of the Company. A member may appoint more than one proxy in respect of the same meeting or poll provided that the appointment of the proxy shall specify the number of shares in respect of which the proxy is appointed and only one proxy shall be appointed in respect of any one share. When 2 or more valid but differing appointments of proxy are delivered or received in respect of the same share for use at the same meeting, the one which is last delivered or received shall be treated as replacing and revoking the others as regards that share. Subject to the Statutes, the Directors may determine at their discretion when a proxy appointment shall be treated as delivered or received for the purposes of these Articles. If the Company is unable to determine which was last delivered or received none of them shall be treated as valid in respect of that share.

115. The appointment of a proxy shall be made in writing and shall be in any usual or common form or in any other form which the Directors may approve. Subject thereto, the appointment of a proxy may be:
- (a) in hard copy form; or
  - (b) if the Company so agrees (or is deemed by the Statutes to have so agreed), in electronic form.
116. The appointment of a proxy, whether made in hard copy form or in electronic form, shall be executed or authenticated in such manner as may be approved by or on behalf of the Company from time to time.
117. The Directors may, if they think fit (but subject to the provisions of the Statutes), at the Company's expense send forms of proxy in hard copy form for use at the meeting and issue invitations in electronic form to appoint a proxy in relation to the meeting in such form as may be approved by the Directors. The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or on the poll concerned.
118. The appointment of a proxy shall:
- (a) if in hard copy form, be delivered by hand or by post to the Office or such other place within the United Kingdom as may be specified by or on behalf of the Company for that purpose:
    - (i) in the notice convening the meeting; or
    - (ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting,  
  
not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or
  - (b) if in electronic form, be received at any address to which the appointment of a proxy may be sent by electronic means pursuant to a provision of the Statutes or to any other address specified by or on behalf of the Company for the purpose of receiving the appointment of a proxy in electronic form in:
    - (i) the notice convening the meeting; or

(ii) any form of proxy sent by or on behalf of the Company in relation to the meeting; or

(iii) any invitation to appoint a proxy issued by the Company in relation to the meeting,

not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

(c) in either case, where a poll is taken more than 48 hours after it is demanded, be delivered or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

(d) if in hard copy form, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of the meeting.

A proxy appointment which is not delivered or received in accordance with this Article 118 shall be invalid.

119. Where the appointment of a proxy is expressed to have been or purports to have been made, sent or supplied by a person on behalf of the holder of a share:

(a) the Company may treat the appointment as sufficient evidence of the authority of that person to make, send or supply the appointment on behalf of that holder;

(b) that holder shall, if requested by or on behalf of the Company at any time, send or procure the sending of any written authority under which the appointment has been made, sent or supplied or a copy of such authority certified notarially or in some other way approved by the Directors, to such address and by such time as may be specified in the request (or such address as the Company may be deemed by the Statutes to have agreed) and, if the request is not complied with in any respect, the appointment may be treated as invalid; and

(c) whether or not a request under Article 119(b) has been made or complied with, the Company may determine that it has insufficient evidence of the authority of that person to make, send or supply the appointment on behalf of that holder and may treat the appointment as invalid.

120. A proxy appointment shall be deemed to include the right to demand, or join in demanding, a poll but shall not confer any further right to speak at a meeting, except with the permission of the chairman of the meeting. The proxy appointment shall also, unless it provides to the contrary, be deemed to confer authority on the proxy to vote or abstain from voting as the proxy thinks fit on any amendment of a resolution and on any procedural motion or resolution put to the meeting to which it relates and on any other business not referred to in the notice of meeting which may properly come before the meeting to which it relates. The proxy appointment shall, unless it provides to the contrary, be valid for any adjournment of the meeting as well as for the meeting to which it relates.
121. Any corporation which is a member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares. A person so authorised and present at any such meeting shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member personally present, save that a Director, the Secretary or other person authorised for the purpose by the Secretary may require such person to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers. A corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised by it is present at the meeting.
122. A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding the poll unless notice of the determination was either delivered or received as mentioned in the following sentence at least three hours before the start of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll. Such notice of determination shall be either by means of a document in hard copy form delivered to the Office or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 118(a) or in electronic form received at the address (if any) specified by or on behalf of the Company in accordance with Article 118(b) (or such address as the Company may be deemed by the Statutes to have agreed), regardless of whether any relevant proxy appointment was effected in hard copy form or in electronic form.

## **DIRECTORS**

123. The number of Directors shall not be less than 2 nor more than 12. The Company may by ordinary resolution from time to time vary the minimum or maximum number of Directors.

124. A Director and an alternate Director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.
125. Any Director who is appointed to any executive office (including for this purpose the office of the chairman or deputy chairman whether or not such office is held in an executive capacity) or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid remuneration (in addition to any amounts receivable under Article 162) by way of salary, commission, bonus or otherwise (whether exclusive or inclusive of his remuneration (if any) under these Articles) as the Directors may determine.
126. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company, on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.
127. The Directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary undertaking of the Company or is allied to or associated with the Company or any such subsidiary undertaking or of any of the predecessors in business of the Company or any such other company as aforesaid, or who may be or have been directors or officers of the Company or of any such other company as aforesaid and who hold or have held executive positions or agreements for services with the Company or any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and also establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such person as aforesaid, and make payments for or towards the insurance of any such person as aforesaid and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid. Subject to particulars with respect to the proposed payment being disclosed to the members of the Company and to the proposal being approved by the Company by ordinary resolution, if the Statutes shall so require, any director who holds or has held any such executive position or agreement for services shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

128. Subject to the provisions of the Statutes and these Articles, a Director or intending Director (including an alternate Director) may contract or be interested in any contract or arrangement with the Company or any other company in which the Company is or may have been or may become interested and hold any office or place of profit (other than the office of auditor of the Company or any subsidiary undertaking thereof) under the Company or any such other company and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and (save as otherwise agreed) may retain for his own absolute use and benefit all emoluments, dividends, profits, benefits and other advantages accruing to him therefrom.
129. Subject to the provisions of the Statutes and these Articles, the Directors may from time to time appoint one or more of their body to be holder of any executive office (including, where considered appropriate, the office of chairman or deputy chairman or chief executive) on such terms and for such period as they may determine and, without prejudice to any claim for damages under any contract entered into in any particular case, may at any time revoke any such appointment.
130. The appointment of any Director to the office of chairman or deputy chairman or managing or joint managing or deputy or assistant managing director or chief executive shall automatically terminate if he ceases to be a Director, but without prejudice to any claim by either the Company or the Director for damages for breach of any contract between him and the Company.
131. The appointment of any Director to any executive office shall automatically terminate if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such termination shall be without prejudice to any claim by either the Company or the Director for damages for breach of any contract between him and the Company.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

132. Unless and until otherwise determined by the Company by ordinary resolution, either generally or in any particular case, any provisions of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any Director over a specified age, shall not apply to the Company.

133. At each annual general meeting:
- (a) any Director who was elected or last re-elected a Director at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation; and
  - (b) such further Directors (if any) shall retire by rotation as would bring the number retiring by rotation up to one-third of the number of Directors in office at the date of the notice of annual general meeting (or if their number is not a multiple of three, the number nearest to but not greater than one-third).
134. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.
135. The Company at the meeting at which a Director retires under any provisions of these Articles may by ordinary resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:
- (a) where at such meeting it is expressly resolved not to fill up such office or a resolution for the re-election of such Director is put to the meeting and lost;
  - (b) where such Director has given notice to the Company that he is unwilling to be re-elected; or
  - (c) where the default is due to the moving of a resolution in contravention of Article 139.
136. The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected (and his alternate, if any) will continue in office without break.
137. The Company may in accordance with and subject to the provisions of the Statutes by ordinary resolution of which special notice has been given remove any Director from

office notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement, and appoint another person in place of a Director so removed from office. Any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

138. The Company may by ordinary resolution and the Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with these Articles. Any Director so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.
139. A resolution for the appointment of 2 or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
140. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any general meeting unless not less than 7 nor more than 42 clear days before the day appointed for the meeting there shall have been left at the Office notice signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.
141. The office of a Director shall be vacated in any of the following events, namely:
  - (a) if he shall become prohibited by law from acting as a Director;
  - (b) if he shall resign in writing under his hand left at the Office or if he shall tender his resignation and the Directors shall resolve to accept the same;
  - (c) if he shall become bankrupt or shall make any arrangement with or compound with his creditors generally;

- (d) if he is, or may be, suffering from mental disorder and either:
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or
  - (ii) an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- (e) if he shall be absent from meetings of the Directors for 6 months without leave (and his alternate Director, if any, shall not during such period have attended in his stead) and the Directors shall resolve that his office be vacated;
- (f) if when there are at least 4 Directors he shall be requested in writing by all his co-Directors to resign;
- (g) if any contract with the Company relating to his appointment to any executive office is terminated by the Company, unless the Directors resolve that he should continue in office as a Director; or
- (h) if he shall be removed from office as provided by Article 137.

#### **ALTERNATE DIRECTORS**

- 142. Any Director may at any time by writing under his hand deposited at the Office, or delivered at a meeting of the Directors, appoint any person to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors or appointing another Director as an alternate, shall have effect only upon and subject to being so approved.
- 143. The appointment of an alternate Director shall terminate on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director.
- 144. An alternate Director shall (except when absent from the United Kingdom) be entitled to be given notice of meetings of the Directors of which his appointor is not given notice due to his appointor's absence from the United Kingdom or of which his appointor shall have requested, in writing under the appointor's hand deposited at the

Office or delivered at a meeting of the Directors, that he be given notice either generally or in any particular case or cases.

145. An alternate Director shall be entitled to attend and vote as a Director at any meeting of the Directors at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability his signature to any resolution under Article 161 of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committee of the Directors the provisions of Articles 144 and this Article 145 shall also apply to any meeting of any such committee of which his appointor is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.
146. An alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed an agent of or for the Director appointing him. An alternate Director may be interested in contracts, arrangements and other proposals with the Company, may be repaid expenses by the Company and shall be entitled to be indemnified by the Company to the same extent as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice to the Company from time to time direct.
147. Where an alternate Director is the alternate of more than one Director and attends a meeting of the Directors or a meeting of a committee of the Directors which the Directors have determined he is entitled to attend in his capacity as an alternate, he shall in the absence of more than one appointor have a separate vote for each appointor for whom he is attending; if he is himself a Director his vote or votes as an alternate Director shall be in addition to his own vote as a Director.

### **PROCEEDINGS OF DIRECTORS**

148. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

Any Director may waive notice of any meeting and any such waiver may be retrospective.

149. Notice of a meeting of the Directors shall be deemed to be properly given to a Director if given to him personally or by word of mouth or sent in hard copy form to him at his last known address or at any other address given by him to the Company for this purpose or sent in electronic form to the address (if any) notified by him to the Company for that purpose.
150. It shall not be necessary to give notice of a meeting of the Directors to any Director who is for the time being absent from the United Kingdom unless he has requested the Board to do so, in which case notices of meetings of Directors shall during his absence be sent to him in hard copy form or in electronic form to such address (if any) notified by him to the Company for that purpose but such notices need not be given any earlier than notices given (by whatever means) to Directors not so absent.
151. A Director who is unable to attend any meeting of the Directors and has not appointed an alternate Director may authorise any other Director to vote for him at that meeting, and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised, in addition to his own vote. Any such authority may be in writing or transmitted by means of electronic communications, which must be produced at the meeting at which the same is to be used, and left with the Secretary for filing.
152. All or any of the Directors may participate in a meeting of the Directors by any lawful means including by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and speak to each other at the same time. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
153. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be 2. For the purposes of this Article an alternate Director shall be counted in a quorum, but so that not less than 2 individuals shall constitute the quorum. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

## DIRECTORS' INTERESTS

154. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or any other arrangement or proposed arrangement with the Company shall declare the nature and extent of his interest.
155. Save as provided in Articles 155 to 158, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him within the meaning of section 346 of the 1985 Act) is a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
156. A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- (a) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
  - (b) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase or in exchange in which offer he is or is to be interested as an existing holder of securities of the Company or the subsidiary undertaking concerned or as a participant in the underwriting or sub-underwriting thereof;
  - (d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with any person connected with him within the meaning of section 346 of the Act) is not the holder of or beneficially interested in one per cent or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of Articles 155 to 158 to be a material interest in all circumstances);

- (e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme which relates to both Directors and employees of the Company or any of its subsidiary undertakings and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such fund or scheme relates;
  - (f) any arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings under which the Director benefits in a similar manner as the employees provided that such arrangement does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such arrangement relates; or
  - (g) insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.
157. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of 2 or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under the proviso to Article 156(d)) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
158. If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive, except in a case where the nature or extent of the interests of the Director concerned has not been fully disclosed. Any such question relating to the chairman of the meeting shall be referred to the deputy chairman of the meeting and his ruling shall be final and conclusive except as aforesaid.
159. The continuing Directors may act notwithstanding any vacancy in their number, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning general meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any 2 members may summon a general meeting for the purpose of appointing Directors.
160. The Directors may elect a chairman and, if thought fit, one or more deputy chairmen and determine the period for which each is to hold office. The chairman, failing

whom a deputy chairman (to be chosen, if there be more than one, by agreement amongst them or failing agreement by lot), shall preside at all meetings of the Directors, but if no chairman or deputy chairman shall have been elected, or if at any meeting none be present within 5 minutes after the time appointed for holding the meeting or none be willing to act, the Directors present may choose one of their number to be chairman of the meeting.

161. A resolution in writing agreed to by, or by the alternate Directors of, all the Directors who are or whose alternate Directors are for the time being in the United Kingdom shall be as valid and effective as a resolution passed at a meeting of the Directors duly convened and held. For this purpose:
- (a) a Director signifies his agreement to a proposed written resolution when the Company receives from him a document indicating his agreement to the resolution authenticated in the manner permitted by the Statutes for a document in the relevant form;
  - (b) the Director may send the document in hard copy form or in electronic form to such address (if any) for the time being specified by the Company for that purpose, or in default of such specification to the Office;
  - (c) if an alternate Director signifies his agreement to the proposed written resolution, his appointor need not also signify his agreement; and
  - (d) if a Director signifies his agreement to the proposed written resolution, an alternate Director appointed by him need not also signify his agreement in that capacity.

#### **DIRECTORS' FEES**

162. Without prejudice to Articles 125, 126 and 163, the Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £250,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or in default of such determination, equally (except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he holds office). Any fees payable pursuant to this Article shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provisions of these Articles and shall accrue from day to day.

## **DIRECTORS' EXPENSES**

163. Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company.

## **BORROWING POWERS**

164. Subject as provided in Articles 165 to 167, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and, subject to the provisions of section 80 of the 1985 Act, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
165. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company at general meetings of its subsidiary undertakings (if any) so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group shall not (excluding intra-Group borrowings) at any time without the previous sanction of an ordinary resolution of the Company exceed a sum equal to 3 times the adjusted total of capital and reserves.
166. For the purpose of Articles 165 to 167:
- (a) The following shall (without limitation and unless otherwise taken into account) be deemed to constitute moneys borrowed:
    - (i) the principal amount outstanding in respect of any debenture notwithstanding that the same may have been issued in whole or in part for a consideration other than cash;
    - (ii) the principal amount outstanding in respect of any debenture of any member of the Group which is not beneficially owned within the Group;
    - (iii) the principal amount outstanding under any bill accepted by any member of the Group and not beneficially owned within the Group or under any acceptance credit opened on behalf of or in favour of any member of the Group other than by another member of the Group

(not being an amount outstanding in respect of the purchase of goods in the ordinary course of trading);

- (iv) the nominal amount of the issued and paid-up preference share capital of any subsidiary undertaking of the Company not beneficially owned within the Group;
  - (v) the nominal amount of any issued share capital and the principal amount of any moneys borrowed (not being issued share capital or moneys borrowed beneficially owned within the Group) the redemption or repayment whereof is guaranteed or secured by the Company or by any of its subsidiary undertakings; and
  - (vi) any fixed or minimum premium payable on final redemption or repayment of any debentures or other moneys borrowed or share capital in addition to the principal or nominal amount thereof.
- (b) Moneys borrowed for the purpose of and actually applied within 6 months in repaying the whole or any part of other moneys borrowed by the Group and for the time being outstanding shall not pending their application for such purpose be deemed to be moneys borrowed; and
- (c) Moneys borrowed from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under the contract which is guaranteed or insured by the Export Credit Guarantees Department or any other institution or body carrying on a similar business shall be deemed not to be moneys borrowed.

167. For the purposes of Articles 165 to 167:

- (a) The adjusted total of capital and reserves means:
  - (i) the nominal amount of the issued and paid up or credited as paid up share capital for the time being of the Company; and
  - (ii) the amount standing to the credit of the consolidated reserves of the Group including share premium account and capital redemption reserve fund (if any) and the amount standing to the credit of the consolidated profit and loss account,

all as shown in a consolidation of the most recent audited balance sheets of the Company and its subsidiary undertakings available at the date the calculation falls to be made but after:

- (iii) adjusting as may be necessary in respect of any variation in such paid up share capital and reserves since the dates of such balance sheets but so far as profit and loss account is concerned only to take account of (I) any distribution (otherwise than within the Group) paid, recommended or declared and not (A) already provided for as a liability in such balance sheets or (B) being a normal preference or interim dividend payable out of profits since earned and (II) any provision made other than out of profits since earned;
  - (iv) excluding any sum set aside for taxation (other than deferred taxation);
  - (v) excluding a sum equal to the book value of goodwill other than goodwill arising upon such consolidation (the amount of which so far as previously written off to be written back); and
  - (vi) deducting if not already deducted any debit balance on profit and loss account.
- (b) Share capital allotted shall be treated as issued and any share capital already called up or payable at any future date within the following 12 months shall be treated as already paid up and if the Company proposes to issue any shares for cash and the issue of such shares has been underwritten then such shares shall be deemed to have been issued and the subscription moneys (including any premium) payable in respect thereof within the following 12 months shall be deemed to have been paid up.
- (c) In calculating the adjusted total of capital and reserves any adjustments may be made that the Auditors (or, in the event that there are no Auditors or the Auditors decline to act, or are unable to act, a chartered accountant appointed for this purpose by the President for the time being of the Institute of Chartered Accountants in England and Wales, on the application of the Company, in place of the Auditors) may certify in their opinion to be appropriate, including in particular adjustments to provide for the carrying into effect of any transaction for the purposes of or in connection with which it requires to be calculated.
- (d) The certificate of the Auditors (or any person appointed instead of the Auditors as set out in Article 167(c)) as to the amount of the adjusted total of capital and reserves at any time shall be conclusive and binding upon all concerned.

- (e) No person dealing with the Company or any of its subsidiaries shall by reason of Articles 164 to 167 be concerned to see or inquire whether this limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security given express notice that the limit hereby imposed had been or would thereby be exceeded.

### **GENERAL POWERS OF DIRECTORS**

- 168. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Statutes and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by special resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.
- 169. The Directors may delegate any of their powers to committees consisting of such person or persons (whether Directors or not) upon such terms and conditions and with such restrictions as they think fit provided that the majority of the members of the committee are Directors. Any such delegation (which may include authority to sub-delegate all or any of the powers so delegated) may be collateral with, or to the exclusion of, the powers which are the subject of the delegation (or sub-delegation). Any committees so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors and any or all of the powers so delegated may be altered, waived, withdrawn or revoked by the Directors.
- 170. The meetings and proceedings of any such committee consisting of 2 or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors (including, without limitation, provisions relating to resolutions under Article 161), so far as the same are applicable and are not superseded by any regulations made by the Directors under Article 169.
- 171. The Directors may delegate any of their powers to any Director upon such terms and conditions and with such restrictions as they think fit. Any such delegation (which may include authority to sub-delegate all or any of the powers so delegated) may be collateral with, or to the exclusion of, the powers which are the subject of the delegation (or sub-delegation). Any or all of the powers so delegated may be altered, waived, withdrawn or revoked by the Directors.

172. The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any annulment or variation shall be affected thereby.
173. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Directors may revoke or vary the appointment but no person dealing in good faith with the Company and without notice of the revocation or variation shall be affected by it.
174. Any power of the Directors to delegate any of their powers under these Articles (and the power to sub-delegate any of such powers) shall be effective in relation to the powers, authorities and discretions of the Directors generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Directors or by a committee of the Directors.
175. All acts done by or in pursuance of a resolution of any meeting of the Directors, or of a committee of Directors, or by any person acting as a Director or alternate Director or as a member of a committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Director or alternate Director, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or alternate Director and had been entitled to vote.

176. Subject to and to the extent permitted by the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit regarding the keeping of any such register.
177. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time determine.
178. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovering of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.
179. A register of Directors' interests shall be kept in accordance with the Statutes and shall be open to the inspection of any member or holder of debentures of the Company or of any other person authorised by the Statutes between the hours 10 am and noon on each day during which the same is bound to be open for inspection pursuant to the Statutes. The register shall also be produced at the commencement of each annual general meeting and shall remain open and accessible during the continuance of the meeting to any person attending the meeting.
180. The Directors may from time to time elect a president of the Company and may determine the period for which he shall hold office. Such president may be either honorary or paid such remuneration as the Directors in their discretion shall think fit, and need not be a Director but shall, if not a Director, be entitled to receive notice of and attend and speak, but not to vote, at all meetings of the Board of Directors.
181. The Directors shall not, without prior shareholder approval in the form of an ordinary resolution of the Company, grant any options over Ordinary Shares or make any awards over Ordinary Shares where the effect of such grant or award is that the number of Ordinary Shares which would remain issuable upon the exercise of subsisting options or vesting of subsisting awards under any employee share scheme exceeds 18 per cent of the nominal value of the Ordinary Shares in issue at any time.

## ASSOCIATE DIRECTORS

182. The Directors may from time to time appoint any manager or other officer or person in the employment of the Company or of any subsidiary undertaking within the Group or any director of any such subsidiary undertaking to be an associate director of the Company.
183. An associate director appointed under Article 182 shall not be required to hold any shares in the Company to qualify him for such office.
184. Save as otherwise agreed between him and the Company, the appointment of a person to be an associate director shall not affect the terms and conditions of his employment by the Company or by any subsidiary undertaking within the Group, whether as regards duties, remuneration, pension or otherwise, and his office as an associate director shall be vacated if he becomes of unsound mind or is made bankrupt, or if he becomes prohibited by law from being a director, or if he ceases to be a director of any such subsidiary undertaking by virtue of any provision of the Statutes, or in the event of his ceasing to be in the employment of the Company or of any such subsidiary undertaking, or if he resigns his office or is removed from the office of associate director by a resolution of the Directors.
185. The appointment, continuance in office, removal, powers, duties and remuneration of the associate directors or of any of them shall be determined by the Directors, who shall have full powers to make such arrangements as they may think fit.
186. The associate directors shall not under any circumstances be entitled to vote at meetings of Directors and shall not, except with, and to the extent of, the sanction of the Directors:
  - (a) have any right of access to the books or accounts of the Company;
  - (b) be entitled to receive notices or to attend at meetings of the Directors;
  - (c) be entitled to participate in any other respect in the exercise of the collective powers or duties of the Directors or to exercise any of the powers or rights of a Director individually under these Articles.
187. The Directors shall have the right to enter into any contracts on behalf of the Company or to transact any business of any description without the knowledge or approval of the associate directors.

188. No act shall be done by the Directors which would impose any personal liability on any or all of the associate directors, whether under the Statutes or otherwise, except with their knowledge and consent.
189. The appointment of an associate director shall not constitute him as a Director for the purposes of these Articles or within the meaning of the expression "director" as defined in the Statutes, and an associate director may be given such job title or description by the Company as the Directors may feel appropriate.

#### **SECRETARY**

190. The Secretary shall be qualified in accordance with the provisions of the Statutes and shall be appointed by the Directors on such terms and for such period as they may think fit. The Secretary may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract between him and the Company.
191. Any provision of the Statutes or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

#### **THE SEAL**

192. The Company may exercise the powers conferred by the Statutes with regard to official seals and such powers shall be vested in the Directors.
193. The Directors shall provide for the safe custody of the Seal, and any official seal, both of which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the Seal and/or any official seal shall be affixed shall be signed by a Director and shall be countersigned by a second Director or by the Secretary or some other person appointed by the Directors for the purpose and in favour of any purchaser or other person dealing with the Company in good faith and relying thereon such signatures shall be conclusive evidence of the fact that the Seal and/or any official seal has been properly affixed.
194. Notwithstanding any other Article, the Directors may from time to time determine, either generally or in any particular case, the method by which any share certificate issued by the Company in respect of the Company's shares, stock, debentures or other securities shall be authenticated by or on behalf of the Company and, in particular:

- (a) the Directors may dispense with the need to affix the Seal, or any official seal, to such certificate;
- (b) the Directors may determine the manner, and by whom, any such certificate is to be signed, and may dispense with the need for such certificate to be signed or executed in any way;
- (c) the Directors may permit the signature or a facsimile of the signature of any person to be applied to such certificate by any mechanical or electronic means in place of that person's actual signature,

and any certificate issued in accordance with the requirements of the Directors shall, as against the Company, be prima facie evidence of the title of the person named in that certificate to the shares comprised in it.

- 195. The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.
- 196. Subject to the provisions of section 36A of the 1985 Act, a document signed by a Director and the Secretary, or by 2 Directors, and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if executed under the Seal.

#### **AUTHENTICATION OF DOCUMENTS**

- 197. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate and certify as true copies of and extracts from any document affecting the constitution of the Company (whether in hard copy form or in electronic form) and any resolution passed by the Company or the holders of any class of shares in the capital of the Company or the Directors or any committee of the Directors (whether in hard copy form or in electronic form), and any book, record, document relating to the business of the Company (whether in hard copy form or in electronic form and including without limitation the accounts). Where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid (whether in hard copy form or in electronic form and including without limitation the accounts). If certified as aforesaid, a document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Directors or any committee of the Directors (whether in hard copy form or in electronic form) shall be conclusive evidence in favour of all persons dealing with the Company in good faith and relying thereon that such resolution has been duly passed or, as the case may be, that such

minutes are or extract is true and accurate record of proceedings at a duly constituted meeting.

## **DIVIDENDS**

198. The Company may by ordinary resolution declare dividends and fix the time for payment thereof, but no dividend shall be payable except out of profits of the Company available for distribution in accordance with the Statutes or in excess of the amount, or at any earlier date than, recommended by the Directors.
199. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, dividends may be declared or paid in any currency.
200. Unless and to the extent that the rights attached to any shares or the terms of issue thereof or the Statutes otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of call shall be treated as paid on the share.
201. Subject to the provisions of the Statutes, if and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed dividend on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends of such amounts and on such dates and in respect of such periods as they think fit. A resolution of the Directors declaring any such dividend shall (once published with their authority) be irrevocable and have the same effect as if such dividend had been declared upon the recommendation of the Directors by an ordinary resolution of the Company. Provided the Directors act bona fide they shall not incur any responsibility to the holders of shares conferring a preference for any damage they may suffer by reason of the payment of any interim dividend on any shares having deferred or non-preferred rights.
202. Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

203. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
204. The Directors may retain any dividend or other moneys payable on or in respect of any share:
- (a) on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists; or
  - (b) in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
205. The Company may cease to send any cheque or warrant through the post for any dividend or other moneys payable on or in respect of any share if in respect of at least 2 consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed, or the cheque or warrant in respect of any one dividend has been returned undelivered or remains uncashed and reasonable enquiries have failed to establish any new address of the holder, but may recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled thereto requests such recommencement by notice to the Company.
206. All unclaimed dividends or other moneys payable on or in respect of a share may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. The payment by the Directors of any such dividend or other moneys into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of 12 years from the date of declaration of such dividend or the date on which such dividend became due for payment shall be forfeited and shall revert to the Company, but the Directors may at their discretion pay any such dividend or such other moneys or some part thereof to a person who would have been entitled thereto had the same not reverted to the Company.
207. The Company may upon the recommendation of the Directors by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the

rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates or any part thereof and otherwise as they think fit.

208. Any dividend or other moneys payable in cash or in respect of a share may be paid by cheque or warrant sent through the post to or left at the registered address of the member or person entitled thereto (or, if 2 or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person may by notice direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such persons as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may by notice direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the moneys represented thereby. In addition any such dividend or other moneys may at the discretion of the Directors be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders or person or persons entitled to the relevant share in consequence of the death or bankruptcy of the holder may by notice direct and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions.
209. In respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may pay any such dividend, interest or other moneys by means of the relevant system (subject always to the facilities and requirements of that relevant system).
210. If 2 or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.
211. The waiver in whole or in part of any dividend on any shares by any document (whether or not executed as a deed) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

## **RESERVES**

212. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may from time to time designate the reserves or any part thereof for such purposes or in such manner as they think fit. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.

## **CAPITALISATION OF RESERVES**

213. The Company may upon the recommendation of the Directors by ordinary resolution resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account (provided that such sum be not available and required for paying the dividends on any shares carrying a fixed cumulative preferential dividend) and authorise the Directors to appropriate the sum resolved to be capitalised to the holders of shares in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend on the shares and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by them respectively or in or towards paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst them in the proportion aforesaid or partly in one way and partly in the other. Provided that any sum standing to the credit of share premium account or capital redemption reserve fund and any other undistributable reserves shall only be applied in or towards the paying up of unissued shares to be allotted as fully paid.
214. Subject to approval by the Company in general meeting by way of an ordinary resolution the Directors may, in respect of any dividend declared or proposed to be declared at that general meeting or any time prior to the next following annual general meeting, determine and announce, prior to or contemporaneously with their announcement of the dividend in question that ordinary shareholders will be entitled to elect to receive in lieu of such dividend (or part thereof) an allotment of additional Ordinary Shares credited as fully paid. In any such case the following provisions shall apply:
- (a) the basis of allotment shall be determined by the Directors so that, as nearly as may be considered convenient, the value (calculated by reference to the

average quotation) of the additional Ordinary Shares (including any fractional entitlement) to be allotted in lieu of any amount of dividend shall equal such amount. For such purposes the "average quotation" of an Ordinary Share shall be the average of the means of quotations on the Stock Exchange, as shown in the Daily Official List, on each of the first 5 business days on which the Ordinary Shares are quoted ex the relevant dividend;

- (b) the Directors shall give notice to the ordinary shareholders of the right of election accorded to them and shall send with or following such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  - (c) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on Ordinary Shares in respect whereof the share election has been duly exercised ("the elected Ordinary Shares"), and in lieu thereof additional shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise, out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve fund) or profit and loss account as the Directors may determine a sum equal to the aggregate nominal amount of additional Ordinary Shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued Ordinary Shares on such basis;
  - (d) the additional Ordinary Shares so allotted shall rank *pari passu* in all respects with the fully paid Ordinary Shares then in issue save only as regards participation in the relevant dividend (or share election in lieu); and
  - (e) the Directors may on any occasion determine that rights of election shall not be made available to any ordinary shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of rights of election would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.
215. Whenever a resolution as mentioned in Articles 213 and/or 214 shall have been passed, the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provisions as they think fit for the case of shares or debentures becoming distributable in fractions (including

provisions whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned) and also to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective interests in such capitalised sum, of the amounts or any part of the amounts remaining unpaid on their existing shares and for matters incidental thereto and any agreement made under any such authority shall be effective and binding on all concerned.

#### **RECORD DATES**

216. Notwithstanding any other provision of these Articles, the Company or the Directors may fix any date as the record date for any dividend, distribution, offer, allotment or issue and such record date may be on or any time before or after any date on which the dividend, distribution, offer, allotment or issue is declared, paid or made.

#### **MINUTES AND BOOKS**

217. The Directors shall cause minutes to be made:
- (a) of all appointments of officers made by the Directors;
  - (b) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and
  - (c) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees of Directors.

Any such minutes if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next following meeting, shall be sufficient evidence without any further proof of the facts therein stated.

218. Any register, index, minute book, book of account or other book required by these Articles or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.
219. Any register, index, minute book, book of account or other book or document of the Company shall always be open to the inspection of the officers of the Company.

Subject as aforesaid no member of the Company or other person shall have any right of inspecting any book or document of the Company except as conferred by the Statutes or as ordered by a Court of competent jurisdiction or as authorised by the Directors and the Directors shall (subject to the provisions of the Statutes) determine at what times and under what conditions any such right may be exercised.

## ACCOUNTS

220. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place within Great Britain as the Directors think fit.
221. The Directors shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before a general meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.
222. Except as provided in Article 223, the Company shall send to each member of the Company and to the Auditors and to every other person who is entitled to receive notice of general meetings copies of the Company's annual accounts, the Directors' report and the Auditors' report not less than 21 days before the date of the general meeting before which they are to be laid. Nothing in this Article shall require the Company to send the Company's annual accounts, the Directors' report and the Auditors' report to any person who under these Articles is not entitled to be sent notices from the Company or of whose address the Company is unaware or to any holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. Any member to whom the Company's annual accounts, the Directors' report and the Auditors' report are sent shall be entitled to be sent a further copy, free of charge, on application at the Transfer Office. For the purposes of this Article 222, the references to sending to any person copies of the Company's annual accounts, the Directors' report and the Auditors' report shall be used in the same way as it is in section 238 of the 1985 Act. No accidental non-compliance with the provisions of this Article or Article 223 shall invalidate the proceedings at the meeting.
223. The Company may, in accordance with section 251 of the Act and any regulations made under it, send a summary financial statement to any member instead of or in addition to the documents referred to in Article 222. For the purposes of this Article 223, the references to sending to a summary financial statement to an entitled person shall be used in the same way as it is in section 251 of the Act.
224. Every account of the Company when audited and approved by the Company in general meeting shall be conclusive except as regards any error discovered therein

within 3 months next after the approval thereof. Whenever such an error is discovered within that period, the account shall forthwith be corrected and thereupon shall be conclusive.

### **AUDITORS**

- 225. Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Statutes.
- 226. Subject to the provisions of the Statutes, all acts done by persons acting as Auditors shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in their appointment or that they were at the time of their appointment not qualified for appointment.
- 227. The Auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns them as Auditors.

### **COMMUNICATIONS**

- 228. Any notice to be given to or by any person pursuant to these Articles (other than a notice convening a Directors' meeting or a meeting of a committee of the Directors) shall be in writing.
- 229. Subject to Article 228 and unless otherwise provided by these Articles, the Company shall send or supply a document or information that is required or authorised to be sent or supplied to a member or any other person by the Company by a provision of the Statutes or pursuant to these Articles or to any other rule or regulation to which the Company may be subject either in hard copy form or in electronic form or by means of a website or in such other form and/or by such other means as it may in its absolute discretion determine provided that the provisions of the 2006 Act which apply to a document or information required or authorised to be sent or supplied by the Statutes shall, mutatis mutandis, also apply to any document or information required or authorised to be sent by these Articles or any other rule or regulation to which the Company may be subject.
- 230. Subject to Article 228 and unless otherwise provided by these Articles, a member or a person entitled by transmission to a share shall send a document or information pursuant to these Articles to the Company in such form and by such means as it may in its absolute discretion determine provided that:

- (a) the determined form and means are permitted by the Statutes for the purpose of sending or supply a document or information of that type to a company pursuant to a provision of the Statutes; and
- (b) unless the Directors otherwise permit, any applicable condition or limitation specified in the Statutes, including without limitation as to the address to which the document or information may be sent, is satisfied.

Unless otherwise provided by these Articles or required by the Directors, such document or information shall be authenticated in the manner specified by the Statutes for authentication of a document or information sent in the relevant form.

231. In the case of joint holders of a share:

- (a) any document or information shall be sent to the joint holder whose name stands first in the register in respect of the joint holding and any document or information so sent shall be deemed for all purposes sent to all the joint holders; and
- (b) anything to be agreed or specified by the holder pursuant to the Statutes or the Articles may be agreed or specified by the joint holder whose name stands first in the register in respect of the joint holding and any such agreement or specification shall be deemed for all purposes to be agreed or specified by all the joint holders.

232. A member whose registered address is not within the United Kingdom and who sends to the Company an address within the United Kingdom at which a document or information may be sent to him shall be entitled to have the document or information sent to him at that address (provided that, in the case of a document or information sent by electronic means, including without limitation any notification required by the Statutes that the document or information is available on a website, the Company so agrees, which agreement the Company shall be entitled to withhold in its absolute discretion including, without limitation, in circumstances in which the Company considers that the sending of the document or information to such address using electronic means would or might infringe the laws of any other jurisdiction) but otherwise:

- (a) no such member shall be entitled to receive any document or information from the Company; and
- (b) without prejudice to the generality of the foregoing, any notice of a general meeting of the Company which is in fact sent or purports to be sent to such

member shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.

233. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the capital of the Company shall be deemed to have been sent notice of the meeting and, where requisite, of the purposes for which it was called.
234. The Directors may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic means for the sending of notices, other documents and proxy appointments by the Company to members or persons entitled by transmission and by members or persons entitled by transmission to the Company.
235. A document or information may be sent or supplied by the Company to the person or persons entitled by transmission to a share by sending it in any manner the Company may choose authorised by these Articles for the sending of a document or information to a member, addressed to them by name, or by the title of representative of the deceased, or trustee of the bankrupt or by any similar description at the address (if any) in the United Kingdom as may be supplied for that purpose by or on behalf of the person or persons claiming to be so entitled. Until such an address has been supplied, a document or information may be sent in any manner in which it might have been sent if the death or bankruptcy or other event giving rise to the transmission had not occurred.
236. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register, has been sent to a person from whom he derives his title, provided that no person who becomes entitled by transmission to a share shall be bound by any direction notice sent under Article 69 to a person from whom he derives his title.
237. Proof that a document or information was properly addressed, prepaid and posted shall be conclusive evidence that the document or information was sent. Proof that a document or information sent or supplied by electronic means was properly addressed shall be conclusive evidence that the document or information was sent or supplied. A document or information sent by the Company to a member by post shall be deemed to have been received:
- (a) if sent by first class post or special delivery post from an address in the United Kingdom to another address in the United Kingdom, or by a postal service similar to first class post or special delivery post from an address in another country to another address in that other country, on the day following that on which the document or information was posted;

- (b) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, or from an address in another country to an address outside that country (including without limitation an address in the United Kingdom) on the third day following that on which the document or information was posted;
  - (c) in any other case, on the second day following that on which the document or information was posted.
- 238. A document or information sent or supplied by the Company to a member in electronic form shall be deemed to have been received by the member on the day following that on which the document or information was sent to the member. Such document or information shall be deemed received by the member on that day notwithstanding that the Company becomes aware that the member has failed to receive the relevant document or information for any reason and notwithstanding that the Company subsequently sends a hard copy of such document or information by post to the member.
- 239. A document or information sent or supplied by the Company to a member by means of a website shall be deemed to have been received by the member:
  - (a) when the document or information was first made available on the website;  
or
  - (b) if later, when the member is deemed by Article 237 or 238 to have received notice of the fact that the document or information was available on the website. Such a document or information shall be deemed received by the member on that day notwithstanding that the Company becomes aware that the member has failed to receive the relevant document or information for any reason and notwithstanding that the Company subsequently sends a hard copy of such document or information by post to the member.
- 240. If at any time the Company is unable effectively to convene a general meeting by notices sent through the post in the United Kingdom as a result of the suspension or curtailment of postal services, notice of general meeting may be sufficiently given by advertisement in the United Kingdom. Any notice given by advertisement for the purpose of this Article shall be advertised in at least one newspaper having a national circulation. If advertised in more than one newspaper, the advertisements shall appear on the same date. Such notice shall be deemed to have been sent to all persons who are entitled to have notice of meetings sent to them on the day when the advertisement appears. In any such case, the Company shall send confirmatory copies of the notice by post, if at least seven days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

241. If on three consecutive occasions any notice to a member has been returned undelivered the Company need not send further notices to that member until he has communicated with the Company and supplied the Company with a new registered address, or a postal address within the United Kingdom for the service of notices, or has informed the Company, in the way requested by the Company, of an address for the service of notices by electronic means. A notice sent by post will be treated as returned undelivered if the notice is sent back to the Company (or its agents), and a notice sent by electronic means will be treated as returned undelivered if the Company (or its agents) receives notification that the notice was not delivered to the address to which it was sent. References in this Article 240 to a "**notice**" include any other document, information or communication (including share certificates).

### **WINDING UP**

242. The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.
243. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the liquidator may, with the authority of an extraordinary resolution, divide amongst the members in specie the whole or any part of the assets of the Company (whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may subject to any special rights attached to any shares or the terms of issue thereof determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

### **INDEMNITY AND INSURANCE**

244. Every director and the secretary shall be indemnified against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any of its associated companies save, in relation to directors, that no indemnity is hereby given against any liability incurred by the director which would cause this indemnity not to be a qualifying third party indemnity provision as that term is defined in section 309B of the 1985 Act. For the purposes of this Article "**associated company**" has the same meaning as in section 309A of the 1985 Act.

245. Without prejudice to Article 244 the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of any Relevant Company (as defined in Article 246) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.
246. For the purpose of Article 245 "**Relevant Company**" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.